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## **OLR Bill Analysis**

### **sSB 425**

#### ***AN ACT CONCERNING THE STATE EDUCATION RESOURCE CENTER.***

##### **SUMMARY:**

This bill establishes a new State Education Resource Center (the “center”) as a quasi-public agency created to act on behalf of the state. Current law requires the State Board of Education (SBE) to create the existing State Education Resource Center (SERC) to assist the SBE in, among other things, programs and activities to promote educational equity and excellence.

Currently, SERC is not a separate governing entity. It is established by SBE with the Rensselaer Hartford Graduate Center serving under contract as the SERC’s fiduciary. The bill transfers to the new center almost all current duties of SERC. The bill does not indicate how the transition will occur from the current administrative structure to the new structure with a board of directors (see BACKGROUND).

Under the bill, (1) the powers of the center are vested in its 13-member board of directors and (2) the center is subject to existing laws governing state quasi-public agencies.

The bill permits the education commissioner to allocate funds to the new center to provide a range of services to local and regional boards of education, the State Department of Education (SDE), charter schools, state technical high schools, school readiness providers, and other education providers. It deletes a requirement that the center promote and encourage professional development for school paraprofessionals who have instructional duties, leaving this responsibility with SDE (§ 13). It also makes the technical and conforming changes (§§ 14-18).

EFFECTIVE DATE: Upon passage

## **§§ 1 & 2 — STATE EDUCATION RESOURCE CENTER AS A QUASI-PUBLIC AGENCY**

The bill creates the center as a quasi-public agency with the same rights, duties, and obligations as other quasi-public agencies.

It establishes the center as (1) a body politic and corporate, constituting a public instrumentality and political subdivision of the state and (2) a public educational authority acting for the state. It specifies the center is not a state department, institution, or agency. The bill transfers to the center almost all current duties of the existing entity with the same name.

### **§ 1 — BOARD OF DIRECTORS**

The bill establishes a 13-member board of directors, which is vested with the center's powers. The education commissioner, or his designee, is a board member. The remaining members, their appointing authorities, and terms are shown below in Table 1.

**Table 1: State Education Resource Center Appointed Members**

<i><b>Appointing Authority</b></i>	<i><b>Number of Appointments</b></i>	<i><b>Terms</b></i>
Governor	4, with the consent of both houses of the General Assembly	Governor's term of office or until a successor is appointed, whichever is longer
SBE	2	Governor's term of office or until a successor is appointed, whichever is longer
Senate president pro tempore	1	Term of office of appointing authority or until a successor is appointed, whichever is longer
Senate majority leader	1	Same as above
Senate minority leader	1	Same as above
House speaker	1	Same as above
House majority leader	1	Same as above
House minority leader	1	Same as above

Initial appointments must be made no later than six months after the bill is enacted. The board's first meeting must be held by September 15, 2014. Any member who fails to attend 50% of the board's meetings held during a calendar year is deemed to have resigned.

The governor appoints the board's chairperson from among the members, with the advice and consent of both houses of the General Assembly. The chairperson serves at the governor's pleasure.

### ***Quorum, Expenses, and Conflicts of Interest***

A majority of board members constitute a quorum and a majority of the quorum may transact business or exercise any of the center's powers, except two-thirds of the board must vote to adopt proposed procedures. Board members do not receive compensation, but are reimbursed for actual and necessary expenses incurred while performing their official duties.

A board member's employment or business relationships are subject to the applicable laws, rules, and regulations on ethics and conflicts of interest. It will not constitute a conflict of interest for a trustee, director, partner, or officer of any firm or corporation, or any individual having a financial interest in a firm or corporation, to serve as a board member, as long as the individual complies with all applicable provisions of the State Code of Ethics.

### ***Executive Director***

The chairperson, with board approval, appoints the center's executive director, who is an employee of the center and paid a salary the board determines. The executive director supervises the center's administrative affairs and technical activities in accordance with the board's directives.

## **§ 2 — CENTER PURPOSES**

The bill requires the new center to have the same overall purpose as SERC under existing law, which is to help the SBE provide programs and activities that promote educational equity and excellence. The

activities can include training and professional development seminars, publication of technical materials, research and evaluation, and other related activities. The center can support programs and activities concerning (1) early childhood education, (2) improving school and district academic performance, (3) closing the academic achievement gap between socio-economic subgroups, and (4) other related programs and activities.

For these purposes, the bill empowers the center to:

1. have perpetual succession as a body politic and corporate and to adopt bylaws for the conduct of its business;
2. adopt an official seal;
3. maintain an office at a place or places it designates;
4. sue and be sued in its own name;
5. receive and accept anything of value to carry out the bill's purposes, subject to any conditions imposed by the contributor;
6. borrow money for working capital;
7. make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under the bill, including contracts and agreements for professional services, such as financial consultants, underwriters and technical specialists;
8. acquire, lease, purchase, own, manage, hold, and dispose of personal property, and enter into agreements with respect to the property on any terms necessary or incidental to carrying out the bill's purposes;
9. invest in, acquire, lease, purchase, own, manage, hold, and dispose of real property and lease, convey, or enter into agreements with respect to the property on terms necessary or incidental to carrying out the bill's purposes, provided the

transactions are subject to approval, review, or regulation by any agency under state laws covering property acquisition, management, or disposal;

10. procure liability or loss insurance for its property and other assets, and to procure insurance for employees;
11. account for and audit funds belonging to the center or any recipients of center funds;
12. hold patents, copyrights, trademarks, marketing rights, licenses, or any other evidence of protection or exclusivity as to any products as defined in the bill, issued under state, U.S., or foreign laws;
13. establish advisory committees to assist in accomplishing the stated duties, which may include board members and persons other than members; and
14. carry out any other activity necessary for the bill's purposes.

### ***Center Employees***

The bill authorizes the center to employ assistants, agents, and other employees as necessary. It specifies that they are not state employees under state collective bargaining law. The current center has approximately 97 employees and consultants under contract. They are not currently considered state employees and, for example, are not in the state employee retirement system (see BACKGROUND).

The bill allows the center to establish necessary personnel practices and policies, including those related to hiring, promotion, compensation, retirement, and collective bargaining. The center is not an employer under state employee collective bargaining law. It may also contract with consultants, attorneys, and appraisers as necessary to carry out the bills purpose.

### ***School Reform Resource Center***

Under current law, SDE must establish a Connecticut School Reform

Resource Center either within SERC or by contract through a regional educational service center. The bill transfers this responsibility, without change, to the new center. The school reform resource center serves all public schools in the state and must perform a variety of duties related to improving student achievement, including professional development for teachers and administrators and developing culturally relevant methods for teaching students whose primary language is not English.

***Purchasing, Procurement, Personal Service Agreements, and Audit by State Auditors***

The bill requires the center to be subject to rules, regulations, and restrictions on purchasing, procurement, personal service agreements, or asset control generally applicable to state agencies. These include the laws, and the corresponding regulations, addressing the requirements for:

1. issuing purchase orders before incurring a cost (CGS § 4-98);
2. personal service agreements conditions and limitations (CGS § 4-212 - 219); and
3. competitive bidding or competitive negotiations for contracts for supplies, materials, equipment, and contractual services (CGS §§ 4a-57, 4e-19).

These rules, regulations, and restrictions apply to the disposal of real property.

**§ 3 — ADOPTING BUSINESS PROCEDURES**

The bill requires the center's board to follow the adoption and notification process provided in state law for quasi-public agencies adopting written procedures. This includes 30-days' notice of a proposed procedure published in the *Connecticut Law Journal*. This notice must include information on when, where, and how interested parties can provide their views on the proposal. The quasi-public agency can adopt a procedure only by two-thirds vote of the full board's membership.

The bill requires the center to follow these procedures when:

1. adopting an annual budget and plan of operations, including a requirement of board approval before the budget or plan takes effect;
2. hiring, dismissing, promoting, and compensating center employees, including adopting an affirmative action policy, and a requirement for board approval before a position may be created or a vacancy filled;
3. acquiring real and personal property and personal services, including a requirement that the board approve any nonbudgeted spending in excess of a limit that the board sets; and
4. contracting for financial, legal, consulting, and other professional services, including a requirement that the center solicit proposals at least once every three years for each service it uses.

#### **§ 4 — SUBMITTING YEARLY BUDGETS**

For FY 15, and each fiscal year thereafter, the center must submit a yearly budget, projected revenue statement, and financial audit to the SBE and Education Committee. The bill does not state when the budget must be submitted and whether it is submitted before the start of the fiscal year.

#### **§§ 5-8 — NEW CENTER PLACED UNDER EXISTING QUASI-PUBLIC LAW**

The bill places the new center under a number of existing laws that apply to Connecticut's quasi-public agencies.

These include:

1. subjecting board members to the Code of Ethics for Public Officials;
2. subjecting the center to biennial audits by the auditors of public accounts;

3. exempting board members, officers, and employees from personal liability when performing their duties, provided the conduct was not wanton, reckless, willful, or malicious;
4. requiring annual reports to the governor, auditors of public accounts, and the Program Review and Investigations Committee;
5. requiring the treasurer's approval for state-backed bonds or notes (the bill does not explicitly authorize the center to issue bonds); and
6. additional conforming changes.

#### **§ 9 — ALLIANCE DISTRICTS**

The bill updates a reference to the center's authority to provide grants to school districts in need of improvement by substituting the term "alliance districts," which under 2012's Education Reform Act are the 30 lowest performing districts in the state.

#### **§ 10 — EDUCATION COMMISSIONER MAY ALLOCATE FUNDS TO NEW CENTER**

The bill permits the education commissioner to allocate funds to allow the center, as reconstituted under the bill, to provide the following services it is authorized to provide under current law: (1) professional development services, (2) technical assistance and evaluation activities, (3) policy analysis and other forms of assistance to local and regional boards of education, SDE, charter schools, the technical high school system, providers of school readiness programs, and other educational entities and providers. The bill requires the center to spend the funds in accordance with procedures and conditions the commissioner prescribes.

#### **§ 11 — TRANSFER OF FUNCTIONS, POWERS, DUTIES, AND OBLIGATIONS TO NEW QUASI-PUBLIC AUTHORITY**

The bill requires the new center to assume all responsibilities of the existing SERC, as previously described in statute. The transfer of functions, powers, duties, personnel, and obligations, including,



contract obligations, continuance of orders and regulations, effect upon pending actions and proceedings, and the transfer of records and property between the existing SERC and the new center are governed by state law on the transfer of power and authority from one agency to a successor agency, including the receipt of federal aid and the transfer of state appropriations.

## **§ 12 — SPECIAL EDUCATION RESOURCE CENTER**

The bill requires the new center to maintain the Special Education Resource Center, rather than SBE allowing SERC to maintain it. As under current law, the special education resource center must be maintained with federal funds granted to the state. By law, the education commissioner is authorized to accept any federal funds allotted to the state for these purposes.

### **BACKGROUND**

#### ***Current Fiduciary for State Education Resource Center***

Currently SDE has a contract with Rensselaer Hartford Graduate Center, a private institution of higher education, to act as the fiduciary for the center. Under the contract, Rensselaer must implement appropriate fiscal controls and accounting in order to properly disburse the center's funds. The center has approximately 97 employees and consultants under contract, and Rensselaer handles the payroll and benefits for these employees. The contract with Rensselaer, which has been providing this service to SDE for more than 20 years, expires on June 30, 2014.

### **COMMITTEE ACTION**

Education Committee

Joint Favorable Substitute

Yea    32    Nay   0    (03/21/2014)